MONTREAL, JANUARY 1st, 1834.

SIR,

In following up our annual custom of issuing a printed circular in the early period of each succeeding year, it would be a most pleasing part of our duty on the present occasion, if we could in candour and truth say, that the last year's commercial operations in Canada were unattended with more than the usual difficulties and embarrassments, and the results satisfactory, as also that we could now look forward to the present year's business with very cheering prospects; we very much regret to say that while we have to record almost unexampled distress and difficulty the year past, we see nothing in prospect for the year to come, calculated to raise high hopes of safe and profitable business, yet, talents, prudence, industry and capital combined, will generally be productive of reasonable gains, and beyond these, it is in vain in our opinion to look in the present times; one great embarrassment in doing a heavy business the year past, has arisen from scarcity of money, and the causes of this scarcity seem likely to continue at least for some months to come, and should induce all prudent men of business not to contract pecuniary engagements much beyond their own immediate resources, and we cannot too often nor too strongly recommend our country friends not to be too sanguine of obtaining any thing more than very moderate rates for produce next Spring, assuring them that if Foreign advices or other circumstances occur to raise our expectations, they shall be promptly notified.

ASHES.—On the first January, 1833, there remained in the Inspection Stores in Montreal which had arrived too late in the preceding Autumn for Shipment, 2846 bbls. Pots and 900 bbls. Pearls, and from the first January to the first May, fresh supplies came forward to the extent of 2237 bbls. Pots and 1932 bbls. Pearls, forming a total on first May of 5083 bbls. Pots, and 2832 bbls. Pearls, and from first May to the close of the year 17666 bbls. Pots and 9803 bbls. Pearls were received into the Inspection Stores, making the whole year's supply for Shipment, (except a very few which arrived too late,) 22749 bbls. Pots and 12635 bbls. Pearls,

Of which were shipped, - - - - -	22097	do	do	12479	do do
Leaving in Store on first January, 1834, only -	652	do	do	156	do do
The entire shipments of Ashes in 1832 were	26344	bbls. Pots and		13934	bbls. Pearls,
and deducting shipments of 1833, - -	22097	do	do	12479	do do
would exhibit a deficiency of shipments in 1833 of	4247	do	do	1455	do do

The prices generally obtained during the Winter months of 1833, were from 23s *a* 25s 6d for Pots, and 25s *a* 27s 6d for Pearls, increasing in value as the Spring approached until about the middle of March, when from unfavourable advices from England a check was given, and they settled down to 24s *a* 25s for Pots and 25s *a* 26s for Pearls, from which they did not recover even after Ships arrived, and from first May till first November, there was less fluctuations than generally in former years, yet the demand was at no time animated nor extensive, and 25s for Pots and 26s for Pearls could only be obtained as Shippers actually wanted them, and credits most generally had to be given (upon interest, however,) to obtain those rates; the advices from time to time received from England during the whole shipping season, were of the most discouraging nature, as to any improvement, owing to the increased make and use of English Substitutes, which it has been represented could be made at a saving, so as to compete with Ashes *a* 20s per cwt.; our last advices from Liverpool are the 16th November, when it was known there would be a short import from Canada, but it had no favourable effect, and the very few sales making were in a retail way at miserably low rates; since the navigation closed the few that have been offered for sale in this market, have only brought 20s for Pots and 21s for Pearls, and we confess that we can see nothing to justify much if any higher prices in the Spring, indeed we consider the trade so far as looking to profit for the manufacturer, is at an end.

GRAIN & FLOUR.—On the opening of Navigation last Spring, choice brands of U. C. Superfine Flour sold at 28s 9d *a* 29s, and Fine at 27s 6d *a* 28s; good White Wheat at 5s 10d *a* 6s, but as more ample supplies came forward, each receded a little, and were rather dull of sale until August, when receiving advice from England of an expected deficiency of Crop, and consequent advance in price, the demand became animated here, and large shipments of Wheat and Flour were made at improved prices, nor did the demand cease till November; the expectations of an advance in England have not been realized, but Markets have actually declined, there, which renders it almost certain that loss instead of gain will be the result of shipments generally, last season; and as Exchange on England has now declined very much, and is likely to rate low for the next six months, we cannot hold out any expectation of high prices here in the Spring: if the best of U. C. white Wheat should be saleable here on opening of navigation at 5s 4d *a* 5s 8d, and red at 5s *a* 5s 3d, and fine Flour 27s 6d, our expectations will be realized. The Wheat Crop of this Province is not only very deficient in quantity but also in quality, very little if any part being considered fit for export; the demand and price of coarse grains in this Market will scarcely warrant an extensive import from a distance, good white boiling pease however, may be worth early in the Spring, 4s *a* 4s 6d per minot. The import of Flour from U. C. last year, was about 100,000 bbls., and 300,000 bushels of Wheat, which was an increase over that of the preceding year, of about 40,000 bushels of Wheat, and 37,000 barrels of Flour; besides the import of Flour from U. C., the quantity which arrived from the States of New York and Ohio were large, and commanded within 7½d *a* 1s 3d the price of Canada Flour of same grades. We have often pointed out to our country friends the importance of good, neat, well made, well hooped, seasoned flour barrels, and the necessity of containing the established weight of Flour, as well as more care in keeping them from exposure of sun and rain while on the way to market: for want of these precautions great loss in the damaged state of Flour, and expenses incurred, is sustained by owners, and much trouble occasioned between buyer and seller, and we shall not be surprised if in future, Flour shall be found short weight, that the Inspectors will cause it to be seized which the inspection law in force here warrants.

SALTED PROVISIONS.—The Import form U. C. has been very trifling, of either Pork or Beef, not exceeding 1800 bbls. of both, mostly of the former; but from the United States, the supply has reached nearly 30,000 bbls. principally Pork. Notwithstanding the small Import of Beef, not exceeding 1500 bbls. including U. C. & States, yet the demand has not been equal to it, at very moderate rates: scarcely any is wanted here for consumption, and the shipping demand the last year, has been much less than usual: Mess has sold at 50s *a* 55s; Prime Mess 37s 6d *a* 40s; Prime 32s 6d *a* 35s; and Cargo 25s *a* 26s 3d; a few hundred barrels were packed here late in November, and early in December, which have sold much under the above rates. We do not anticipate a very extensive demand in the Spring, nor better prices than were obtained last year; great exertions were made in the States of New York and Ohio last winter, to procure Pork for the Canada Markets, under the impression that there would be in any event a short supply and high prices; the consequence was, great competition among buyers, and such extravagant rates paid, and so much monopolized to come this way, that an over supply was received, and as it cost too much, so it was held too high here, by which means less was exported than would have been had holders been more moderate in their demands; but as the West India Merchants were enabled in their Spring imports of the produce of the Islands, to obtain high prices, and made quick sales, it was thought there would be more than the usual number of arrivals from the West Indies during the Summer and Autumn, and thus create an extended demand for Pork, Beef, Flour, &c. &c., and it being known too, that the usual supplies of Pork had not gone to the New York Market, and the value augmenting there, tended still more to inspire confidence in holders here; we confess we were among the number who clung to the belief that Pork would advance rather than decline in the Fall; and accordingly held some thousands of barrels which unfortunately for owners and ourselves, are on hand now; it is however to be considered that if every one who held Pork had crowded it upon the Market at an early period of the Shipping Season, the prices must necessarily have been run down very low. We estimate there is now remaining here unsold nearly 10,000 barrels, of which not an undue proportion of Mess; the opening price last Spring was 82s 6d *a* 85s for Inspected Mess, 70s *a* 71s 3d for Prime Mess, 62s 6d *a* 63s 9d for Prime, and 52s 6d for Cargo. As the season advanced and some of the smaller holders were anxious to realize, lower rates were accepted, and nearly at the close of the Navigation, some large lots were forced as low as 80s for Mess, 65s for Prime Mess, and 55s for Prime, on Three and Four Months credit. There will be but little of Canadian Production for the year to come, but the supply from the Western part of New York and Ohio, added to the Stock on hand here, will no doubt be very ample, for any demand we may have, and we therefore do not look for high prices, we learn also from our recent English advices that Irish Pork is coming in plentifully and at very moderate rates.

BUTTER has sold moderately during the season at 7½d *a* 9d; Lard has maintained a high rate, selling readily at 6d *a* 6½d, and occasionally at 7d in kegs, and 5½ *a* 6d in barrels; Tallow has been high, say 7d *a* 7½, but is now more plenty and dull at 6d. The quantity of Butter in market is not large, but fully equal to the demand. Lard is now scarce.

SPIRITS.—Owing to an advance on Foreign, domestic sells readily. Whiskey made here of the strength of 2 *a* 5 of good flavour now commands 3s 6d *a* 3s 8d per gallon, but we can scarcely expect so much will be realized next Spring.

TOBACCO.—U. C. Leaf of good quality has sold readily during the last Season at 4d *a* 5d, and the supply has not by any means equalled the demand: it is impossible to form a correct opinion of the value next season, but as American Leaf has advanced considerably, we may expect remunerating prices to the U. C grower. We have recived occasionally consignments of Plug from U. C. which being much inferior to American, we have found difficult of sale; small hands of Plug 16 *a* 18 to the pound sell best.

WOOD.—A very limited business is done in this Market, Quebec being the great shipping port for Timber, Deals, Staves, &c.; from the Statements we have seen from thence, it appears the Stocks on hand are lighter than usual, at the close of the shipping season, and we therefere infer, that fair prices will be obtained next Spring. Staves, particularly pipe, have been held for high prices during the last season, and being a moderate stock and confined to few hands, high prices have been obtained.

EXCHANGE ON ENGLAND has fluctuated more than usual during the last season, and for three months past has been tending downwards; whereas on the States it has pointed upwards, and very difficult to obtain.

Your Most Obedient, &c.

HORATIO GATES & Co.

N. B.—JONES, MURRAY & Co. still continue their establishment at Quebec, (in which we have an interest,) and who are ready at all times to receive Lumber, produce generally, and other property on consignment, and transact all Agency Business that may be committed to them.

H. G. & Co.

January 25th.—We have waited since the 1st instant, before publishing our Circular, in hopes of receiving from day to day much later Foreign advices, but have been much disappointed, nothing coming to hand till this day, and now only to the 25th of November. Ashes had improved about 1s per cwt. and rather more doing in them, but we see little to indicate much farther advance, and doubts were entertained whether the small advance would be maintained; an impression was very strong and general that at the meeting of Parliament, the Corn Laws and Timber Duties, would undergo some material alterations, favourable to the introduction of Foreign, and as a natural consequence prejudicial to Canadian, and we recommend our Country friends to keep this in view.

H. G. & Co.